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**Technology, Energy & Communications  
Committee**

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**HB 1388**

**Brief Description:** Changing the date for setting the amount of pipeline safety fees.

**Sponsors:** Representatives Jacks, McCoy, Crouse and Morris; by request of Utilities & Transportation Commission.

**Brief Summary of Bill**

- Changes the date the Utilities and Transportation Commission must invoice gas, interstate gas pipeline, and hazardous liquid pipeline companies for payment of annual fees to the Pipeline Safety Account.

**Hearing Date:** 2/4/09

**Staff:** Scott Richards (786-7156)

**Background:**

**Pipeline Safety Account**

Gas companies, interstate gas pipeline companies, and hazardous liquid pipeline companies subject to inspection or enforcement by the Utilities and Transportation Commission (UTC) must pay an annual pipeline safety fee to the UTC. Fees received by the UTC must be deposited in the Pipeline Safety Account (Account). Any penalties collected by the UTC enforcing state pipeline safety standards are deposited into the Account. Grants received by the Pipeline Safety Program from the United States Department of Transportation's Federal Pipeline and Hazardous Materials Safety Administration (PHMSA) must be deposited into the Account. Expenditures from the Account must be used for funding pipeline safety.

**Pipeline Safety Fees**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Pipeline safety fees are set by the UTC on a yearly basis based on miles reported by the gas and hazardous liquid companies, and number of hours charged to a company. The UTC sets the amount of the fee payable by each regulated entity by general order before July 1 of each year.

The aggregate amount of fees must be sufficient to recover the reasonable costs of administering the pipeline safety program, taking into account federal funds used to offset the costs. The fees must be sufficient to adequately fund pipeline inspection personnel, the timely review of pipeline safety and integrity plans, the timely development of spill response plans, the timely development of accurate maps of pipeline locations, participation in federal pipeline safety efforts, and the staffing of the Citizens Committee on Pipeline Safety.

**Pipeline and Hazardous Material Safety Administration (PHMSA)**

The U.S. Department of Transportation's Pipeline and Hazardous Material Safety Administration (PHMSA), acting through the Office of Pipeline Safety (OPS), administers the national regulatory program to assure safe transportation of natural gas, petroleum, and other hazardous materials by pipeline. The federal/state partnership helps to assure uniform implementation of the pipeline safety program nationwide.

The OPS is authorized to reimburse a state agency up to 80 percent of the actual cost for carrying out its pipeline safety program, including the cost of personnel and equipment. The actual amount of federal reimbursement depends upon the availability of appropriated funds and state program performance.

Reimbursements from the PHMSA to state pipeline safety programs occur after July 1 of each year, usually in late summer.

**Summary of Bill:**

The UTC must set the amount of the annual pipeline safety fee before September 1 of each year.

Reference to a repealed statute is removed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.